REMARKS

I. Introduction

In response to the Office Action dated July 2, 2009, claims 1, 23 and 45 have been amended. Claims 1-5, 8-10, 13-15, 17-19, 21-27, 30-32, 35-37, 39-41, 43-49, 52-54, 57-59, 61-63, 65 and 66 remain in the application. Re-examination and re-consideration of the application, as amended, is requested.

II. Statutory Subject Matter Rejections

On pages 2-3, the Office Action rejects claims 1-5, 8-10, 13-15, 17-19 and 21-22 under 35 U.S.C. §101 as being directed to non-statutory subject matter.

Applicant's attorney has amended the claims as indicated above to overcome these rejections. However, should issues still remain in this regard, Applicant's attorney requests that the Examiner indicate how the rejection can be overcome, in accordance with the directives of the Interim Guidelines for Examination of Patent Applications for Patent Subject Matter Eligibility (Guidelines) II. See also M.P.E.P. §2106 at page 2100-5. Specifically, should it be necessary, the Applicant's attorney requests that the Examiner identify features of the invention that would render the claimed subject matter statutory if recited in the claim. See Guidelines IV.B. See also M.P.E.P. §2106 at page 2100-10.

III. Prior Art Rejections

On pages 4-12, the Office Action includes the following rejections:

- In paragraph (5) of the Office Action, claims 1-4, 8-13, 17, 18, 22-26, 29-35, 39, 40, 44-48, 52-57, 61, 62 and 66 were rejected under 35 U.S.C. §103(a) as being obvious over Johnson et al., U.S. Patent No. 7,082,411 (Johnson), in view of Atkins, U.S. Patent 5,852,811 (Atkins), in view of Sulkowski et al., U.S. Patent Publication No. 2004/0039688 (Sulkowski), and further in view of Sandretto, U.S. Patent No. 5,812,988 (Sandretto).
- In paragraph (6) of the Office Action, claims 5, 14, 15, 27, 36, 37, 49, 58 and 59 were rejected under 35 U.S.C. §103(a) as being obvious over Johnson, in view of Atkins, in view of Sulkowski, in view of Sandretto, and further in view of Kuhlemeyer, "Fundamentals of Financial Management" (Kuhlemeyer)

- In paragraph (7) of the Office Action, claims 19, 41 and 63 were rejected under 35 U.S.C. §103(a) as being obvious over Johnson, in view of Atkins, in view of Sulkowski, in view of Sandretto, and further in view of Microsoft Office Excel 2003 (Microsoft).
- In paragraph (8) of the Office Action, claims 21, 43 and 65 were rejected under 35 U.S.C. §103(a) as being obvious over Johnson, in view of Atkins, in view of Sulkowski, in view of Sandretto, in view of Microsoft, and further in view of Kuhlemeyer.

Applicant's attorney respectfully traverses these rejections, and submits that the combination of references does not teach or suggest all of the elements of Applicant's claims. Specifically, the NPV and FV calculations performed in Applicant's independent claims are different from those shown in the references. As a result, even when combined, the references do not teach or suggest all of the elements of Applicant's claims.

With regard to the assertion by the Office Action that Johnson discloses selecting accounts, amounts and rates, in its recitation of "asset data", and performing one or more Net Present Value (NPV) and Future Value (FV), in its recitation of "NPV" and "expected payoff", Applicant's attorney disagrees. The "asset data" of Johnson does not teach or suggest selecting "forecast amounts, attrition rates and propensity rates" from a database, as recited in Applicant's claims. Moreover, while Johnson may disclose NPV calculation, it does not teach or suggest the specific NPV and FV calculations recited in Applicant's claims, namely calculating forecast amounts, applying attrition rates, and then discounting for the NPV, and calculating propensity amounts, applying attrition rates, and then discounting for the FV.

With regard to the assertion by the Office Action that Atkins discloses that the selected amounts are forecast amounts, namely the projected future value of the assets in Atkins, Applicant's attorney disagrees. Applicant's forecast amounts are used in the NPV calculations, whereas Atkins merely discloses that a projected future value of an asset is calculated and stored in a Home Account database. However, nowhere are the projected future value of the assets in Atkins used in NPV calculations that are performed in the manner recited in Applicant's claims and then combined with the results from FV calculations to provide an LTV for selected accounts.

With regard to the assertion by the Office Action that Sulkowski discloses that NPV and FV calculations are combined to provide an LTV for the selected accounts, Applicant's attorney disagrees. Applicant's NPV and FV calculations are quite different from those found in Sulkowski, which defines Life-time Value merely as the forecasting of the future value of credit accounts. For example, the Office Action asserts that Sulkowski discloses the calculation of FV as part of the calculation of NPV ("a net present value in multiple future periods utilizing discount rates would be a future value"). However, in Applicant's claims, the FV calculations are different from the NPV calculations. Consider that Applicant's NPV calculations begin by calculating "forecast amounts" for each forecast period, while Applicant's FV calculations begin by calculating "propensity amounts" for each forecast period. Moreover, in Applicant's claims, the NPV calculations use attrition rates and discounting, while the FV calculations use propensity rates, attrition rates and discounting. Sulkowski, on the other hand, only shows using the discount rates.

With regard to the assertion by the Office Action that that Sandretto teaches calculating forecast amounts for each forecast period for the selected accounts and applying attrition rates to the forecast amounts to arrive at NPV expected values, Applicant's attorney disagrees. Sandretto refers only to generating multiple estimates of cash flow for an asset, adjusting those cash flows for inflation, and discounting the adjusted cash flows using different risk measures, in order to determine a present value (PV) for each cash flow. Sandretto does not separately perform both NPV and FV calculations, wherein the NPV calculations entail calculating forecast amounts for each forecast period followed by the use of attrition rates and discounting, and the FV calculations entail calculating propensity amounts for each forecast period using propensity rates followed by the use of attrition rates and discounting, where both the NPV and FV calculations are followed by the combining of the NPV and FV results as an LTV value.

With regard to the assertion by the Office Action that Sulkowski teaches calculating an NPV amount by combining the NPV expected values for each forecast period for the selected accounts and discounting the combined NPV expected values, Applicant's attorney disagrees. Sulkowski describes the LTV of a credit account as its current value plus the sum of the NPVs for each future period. Applicant's NPV calculations are quite different from those found in Sulkowski. Consider that Applicant's NPV calculations begin by calculating forecast amounts for each forecast period, applying attrition rates to the forecast amounts to arrive at NPV expected values,

calculating the NPV by combining the NPV expected values for each forecast period and then discounting the combined NPV expected values. Sulkowski, in contrast, first calculates a "next period" cash flow for each of a plurality of periods into the future, and then discounts the "next period" cash flow for those periods to the present, in order to arrive at the LTV.

With regard to the assertion by the Office Action that Johnson teaches calculating propensity amounts, Applicant's attorney disagrees. The Office Action asserts that propensity is a risk measure. However, the Office Action also admits that propensity is a probability that something is likely to happen, which is not a risk measure (and in fact, comprises the definition of propensity). At the locations indicated by the Office Action, Johnson refers only to a weight expected risk and a discount rate (which includes "risks in general uncertainties inherent in the variances of forecasted cash flow recovery"), and nowhere does Johnson refer to the use of propensity in FV calculations.

With regard to the assertion by the Office Action that that Sandretto teaches teach calculating propensity amounts for each forecast period for the selected accounts and applying attrition rates to the propensity amounts to arrive at FV expected values, Applicant's attorney disagrees. Sandretto refers only to generating multiple estimates of cash flow for an asset, adjusting those cash flows for inflation, and discounting the adjusted cash flows using different risk measures, in order to determine a present value (PV) for each cash flow. Sandretto does not perform the same FV calculations, wherein the FV calculations entail calculating propensity amounts for each forecast period using propensity rates, applying attrition rates to the calculated propensity amounts to arrive at FV expected values, and then calculating an FV amount by discounting the FV expected values for each forecast period and summing the discounted FV expected values.

With regard to the assertion by the Office Action that Sulkowski teaches calculating an FV amount by discounting the FV expected values for each forecast period for the selected accounts and summing the discounted FV expected values, Applicant's attorney disagrees. Applicant's FV calculations are quite different from those found in Sulkowski. For example, the Office Action asserts that Sulkowski discloses the calculation of FV as part of the calculation of NPV ("a net present value in multiple future periods utilizing discount rates would be a future value"). However, in Applicant's claims, the FV calculations are different from the NPV calculations, as noted above. Consider that Applicant's NPV calculations begin by calculating

"forecast amounts" for each forecast period, while Applicant's FV calculations begin by calculating "propensity amounts" for each forecast period. Moreover, in Applicant's claims, the NPV calculations use attrition rates and discounting, while the FV calculations use propensity rates, attrition rates and discounting. Sulkowski, on the other hand, only shows discount rates.

Consequently, the combination of Johnson, Atkins, Sulkowski and Sandretto does not teach or suggest all of the elements of Applicant's claims. Specifically, Johnson, Atkins, Sulkowski and Sandretto do not teach or suggest the specific NPV and FV calculations performed in Applicant's claims. As a result, even when combined, Johnson, Atkins, Sulkowski and Sandretto do not render obvious Applicant's claims.

Moreover, the remaining references fail to overcome the deficiencies of Johnson, Atkins Sulkowski and Sandretto. Recall that the Kuhlemeyer and Microsoft references were cited only for teaching limitations not found in Applicant's amended independent claims.

Thus, Applicant's attorney submits that independent claims 1, 23 and 45 are allowable over Johnson, Atkins, Sulkowski, Sandretto, Kuhlemeyer, and Microsoft. Further, dependent claims 2-5, 8-10, 13-15, 17-19, 21, 22, 24-27, 30-32, 35-37, 39-41, 43, 44, 46-49, 52-54, 57-59, 61-63, 65 and 66 are submitted to be allowable over Johnson, Atkins, Sulkowski, Sandretto, Kuhlemeyer, and Microsoft in the same manner, because they are dependent on independent claims 1, 23 and 45, respectively, and thus contain all the limitations of the independent claims. In addition, dependent claims 2-5, 8-10, 13-15, 17-19, 21, 22, 24-27, 30-32, 35-37, 39-41, 43, 44, 46-49, 52-54, 57-59, 61-63, 65 and 66 recite additional novel elements not shown by Johnson, Atkins, Sulkowski, Sandretto, Kuhlemeyer, and Microsoft.

IV. Conclusion

In view of the above, it is submitted that this application is now in good order for allowance and such allowance is respectfully solicited. Should the Examiner believe minor matters still remain that can be resolved in a telephone interview, the Examiner is urged to call Applicant's undersigned attorney.

Please consider this a PETITION FOR EXTENSION OF TIME for a sufficient number of months to enter these papers, if appropriate. Please charge all fees to Deposit Account No. 50-4370 of Teradata Corporation (the assignee of the present application).

Respectfully submitted,

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